Annual Report
1982-83

Alberta

Annual Report
1982-83

Alberta

UTILITIES AND
TELECOMMUNICATIONS

Alberta
UTILITIES AND
TELECOMMUNICATIONS

Office of the Minister

228 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-3016

Honourable G. Amerongen, Speaker
Legislative Assembly of Alberta
325 Legislative Building
EDMONTON, Alberta
T5K 2B6

Sir:

It is my pleasure to submit the Annual Report of the Department of Utilities and Telecommunications for the year ended March 31, 1983.

Respectfully submitted,

Bob Bogle, Minister
Utilities and Telecommunications

Alberta
UTILITIES AND
TELECOMMUNICATIONS

Office of the Deputy Minister

7th Floor, Westcor Building, 12323 Stony Plain Road, Edmonton, Alberta, Canada T5N 3Y9 403/427-0140

The Honourable Bob Bogle
Minister of Utilities and
Telecommunications

Sir:

I have the honour to submit herewith a report covering the activities of the Department of Utilities and Telecommunications for the fiscal year ended March 31, 1983.

The report identifies the general responsibilities of the Department as well as the detailed activities of each section.

Respectfully submitted,

V. A. MacNichol
Deputy Minister

CONTENTS

	Page
Executive Summary	ix
Organization Chart	x
GAS UTILITIES DIVISION	1
Gas Alberta Branch	3
Gas Distribution Branch	6
Business and Grants Section	7
Natural Gas Co-op Boundaries - Map	9
Gas Administration Section	11
UTILITIES, COMMUNICATIONS AND PLANNING DIVISION	13
Communications Policy Branch	15
Rebates Branch	17
Rural Electric Branch	20
MUNICIPAL UTILITIES DIVISION	23
Municipal Utilities Division	25
ADMINISTRATIVE SERVICES DIVISION	27
Administration Services Division	29
Development and Training Branch	30
Financial Administration Branch	31
Personnel Administration Branch	32
Public Communications Branch	33
Records Management Branch	34

APPENDICES

APPENDIX A, Rural Gas Program Statistics and Graphs

APPENDIX B, Rebates Statistics

APPENDIX C, Rural Electrification Revolving Fund, Statements I - V

APPENDIX D, Utilities and Telecommunications Statement of Expenditures

EXECUTIVE SUMMARY

Many positive changes and new programs became effective in the Department during the 1982-83 fiscal year, including a change in the Department name from Utilities and Telephones to Utilities and Telecommunications. The name was changed to more adequately reflect current technology and the expanded role of the Department in this area. At the same time, Utilities and Telecommunications became the responsibility of one minister.

Two new rebate programs were initiated, the Senior Citizens Home Heating Protection Program and the Primary Agricultural Producers Rebate Program.

The Senior Citizens Home Heating Protection Program, available also to widows eligible under the new Widows Pension Act, provided 74,500 seniors and widows with a $100 rebate to assist them with home heating costs last winter. This initiative broke new administrative ground because the vast majority of payments were made directly and without application. The program, which received very positive response, will continue until the end of 1984.

The Primary Agricultural Producers Rebate Program under the Natural Gas Price Protection Plan, provided rebates to over 4,000 livestock, grain and poultry farmers, and operators of greenhouses, irrigation and grain drying agri-businesses. The average claim of $510 benefitted both small and large operators.

The Department was expanded with the transfer of the Municipal Water Supply and Sewage Treatment Grant Program from Alberta Environment. New policy directions place a greater emphasis on decision making at the local level. During the 1979-83 period a total of 339 communities were assisted in building or upgrading their water supply or sewage treatment facilities, including the province's involvement in the construction of the Edmonton Regional Utility System.

The Alberta Electric Energy Marketing Agency commenced operations on September 1, 1982. This agency, governed by the Electric Energy Marketing Act, was established to pool and equalize the electric energy generating and transmission costs among the electric utilities' service areas. Costs associated with generation and transmission represent about 80 percent of the consumer's energy bill which will be gradually equalized across the province over a five-year time frame.

Through special projects, the Department, in cooperation with the investor-owned utilities and the Electric Utility Planning Council, continued the examination of major hydro developments such as the Slave River and Dunvegan projects. As well, the Department investigated other electric energy supply alternatives such as the western electric power intertie.

In May 1982, Alberta hosted a Federal-Provincial Conference of Communications Ministers in Calgary to deal with the issues of pay television and the report of the task force, formed to explore mechanisms for considering regulatory issues affecting more than one jurisdiction.

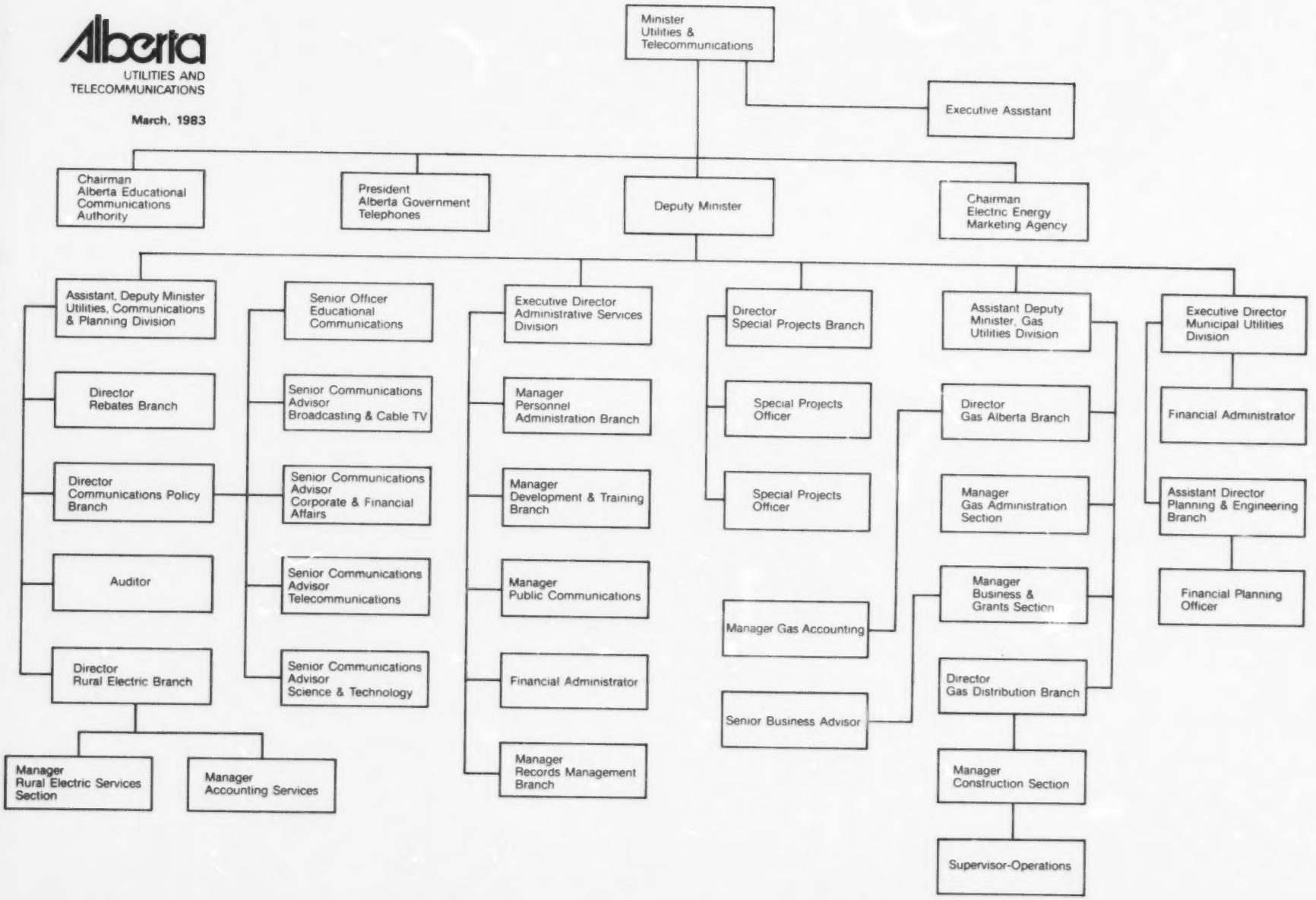
Through the positive efforts of the natural gas co-ops, the county-owned gas systems and the investor-owned gas utility companies, the progress of the Rural Gas Program continued toward the conclusion of its first decade. To date 77,763 new services have been installed under this program, bringing natural gas service to about 232,700 Albertans.

On December 8, 1982, the Board of Directors of the Alberta Educational Communications Corportion (ACCESS) was designated by Order in Council as the provincial Authority for Alberta.

Alberta

UTILITIES AND TELECOMMUNICATIONS

March, 1983



GAS UTILITIES DIVISION

[illegible]

GAS ALBERTA BRANCH

[illegible]

GAS DISTRIBUTION BRANCH

[illegible]

BUSINESS AND GRANTS SECTION

[illegible]

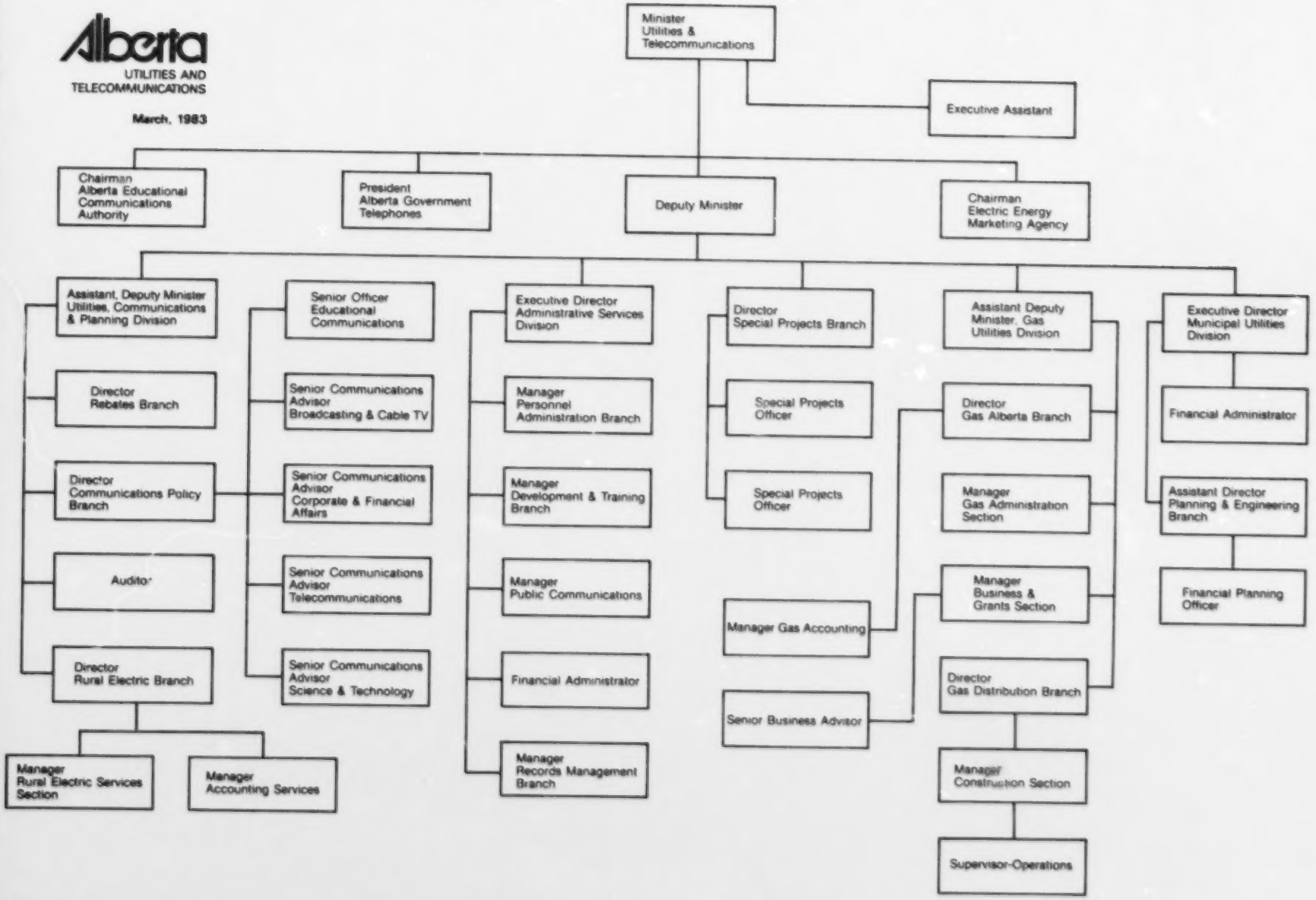
GAS ADMINISTRATION SECTION

[illegible]

Alberta

UTILITIES AND TELECOMMUNICATIONS

March, 1983



GAS UTILITIES DIVISION

GAS ALBERTA BRANCH

GAS DISTRIBUTION BRANCH

BUSINESS AND GRANTS SECTION

GAS ADMINISTRATION SECTION

GAS ALBERTA BRANCH

G.W. Brown
Director

Gas Alberta, acting as a "gas broker" under the Rural Gas Act, is responsible for an economical and efficient supply of natural gas and related services to rural gas distributors throughout the Province of Alberta.

During 1982-83 Gas Alberta had a reduction in both volume of gas sold and number of delivery and gas sales points. The volume reduction is slight and is attributable to a milder winter compared to the previous year. This resulted in a slight decrease in the amount of fuel for domestic heat generation.

Gas sales points decreased because systems were sold and distributors performed sales tap amalgamations. Some wells and associated backup wells were deleted as sales points when they were replaced with other available pipeline sources.

Significant supply growth over earlier years in delivered gas and continued resourceful gas purchase planning have allowed the Branch to negotiate substantially improved supplies in an attempt to provide reasonable gas energy costs to distributors.

Gas Alberta is composed of three main sections as follows.

GAS ACCOUNTING SECTION

This section is responsible for accounting and financial control of all disbursements and receipts of the Gas Alberta Operating Fund. Through financial management and supervision of this fund, the section is able to perform the necessary economic analysis and associated evaluations required by the Branch, to establish and maintain adequate policy and pricing strategy for contract negotiation. In addition, monitoring of the fund facilitates preparation and analysis of financial statements and associated budgets for Gas Alberta. The Fund is maintained by the Provincial Treasurer and is subject to an annual audit and report to the Legislature.

Over the past year, the financial accounting section handled purchases and sales of 13.8 million gigajoules (GJ) (14.6 MCF) of natural gas valued at $27.1 million (purchase cost) including operating and delivery costs. Under the Natural Gas Price Protection Plan and Natural Gas Price Administration Act, rebates totalling $4.4 million were received. Gas sales revenue amounted to $21.9 million. The combined inflow and outflow of all revenue and related expenditure produced a gross cash flow of $49.1 million for Gas Alberta.

GAS PURCHASE, PLANNING AND AUDIT SECTION

This section is responsible for wholesale measurement including regular checks on meter reading, gas volume calculations and metering station inspections. In conjunction with this function, the section is also responsible for wholesale gas volume corrections and adjustments. In 1982-83, 33 gas measurement adjustments were completed, totaling 248,156.7 gigajoules with a value of $390,000 at wholesale price. The section has increased the number of meter stations inspected on a regular basis from 416 in 1981-82 to 524 in 1982-83.

The audit group, in the fiscal year 1982-83, completed 34 detailed and comprehensive audits. Rural distributors requested these audits to determine their eligibility for gas loss grants. Ten audits were approved, resulting in grants of $267,079.15.

Full financial and systems audits on all pipeline operating costs to Gas Alberta from NOVA, AN ALBERTA CORPORATION, and North Canadian Oils Ltd. were completed.

The Gas Purchase, Planning and Audit Section negotiated three new agreements with NOVA and gas producers/suppliers, resulting in an annual saving of $70,000 on the cost of natural gas.

This year the section completed the following programs, in addition to regular day-to-day duties:

1. Rewrote and upgraded the audit procedure.
2. Expanded and upgraded the audit report.
3. Negotiated agreements with the gas utility companies to inspect their wholesale taps.
4. Redesigned the meter station inspection reports and method of recordkeeping.
5. Negotiated T2 transportation contracts with NOVA.

CONTRACTS AND BILLING SYSTEMS

This section is responsible for maintaining and administering contract documents relating to the purchase, sale, and exchange of natural gas. It also handles billing agreements for retail billing services provided to rural gas distributors and word processing and electronic data processing system administration.

The past year was very active in contract administration. The retail billing agreement was rewritten and sent to all distributors for execution. As of March 31, 1983, 34 of the 45 agreements sent out have been completed and returned. In addition, six new or amended purchase contracts were executed, with negotiation nearing completion on two new supply contracts.

This section also has the responsibility of controlling the development and design of systems for Gas Alberta's retail billing service and to assist in the development, design and implementation of billing systems for those natural gas distributors not utilizing Gas Alberta's retail billing service. This responsibility includes optimization of word processing facilities and integration of the word processor electronic data processing capabilities with the mainframe computer used for billing system.

A highlight for Gas Alberta this year was the development and implementation of Gas Alberta's "special billing." It allows distributors to perform their own data preparation as well as receive customer payments and meter readings in their own office. This new concept provides distributors with significant benefits including improved cash flow, more control over customer billings and increased contact with the consumer. This new procedure allowed Gas Alberta to increase the number of customers billed without a corresponding increase in Department staffing requirements. To date, eight distributors have taken advantage of this new concept.

The retail billing service continues to expand and meet the increasing needs of the rural gas distributors who have elected to take advantage of this optional service.

A COMPARISON OF GAS ALBERTA'S ACTIVITIES OVER THE LAST SEVEN YEARS INDICATES CONTINUING EXPANSION IN THE RURAL GAS PROGRAM

	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
Distributors	68	72	76	81	82	86	87
Delivery or Sales Points	495	557	598	630	660	668	598
Gas Suppliers	34	34	36	31	33	34	30
Gas Volume Sold (Million GJ)	5.2	8.6	10.3	11.1	11.0	14.2	13.8
Distributors on Retail Billing	31	36	39	40	41	43	48
Retail Customers Serviced by Billing Service	11,774	13,913	15,116	17,116	19,558	23,651	27,329

GAS DISTRIBUTION BRANCH

G.N. Campbell
Director

The Gas Distribution Branch is the technical arm of the Gas Utilities Division from both an advisory and regulatory aspect. In this role the Branch is responsible for the review and approval of all construction in the Rural Gas Program, for regulatory inspection of distributors' construction and operation practices, and for technical advice and assistance to distributors with respect to the design, project management, construction and operation of rural gas utility distribution systems. Technical responsibilities also encompass direct participation and management of certain key areas including materials quality assurance, natural gas supplies and construction of high-pressure transmission systems.

The Branch is also involved in a variety of more administrative functions including rural gas utility franchises, specification and approval of distributors' grant eligibility, budgetary control of the rural gas grant budget, and administration and update of distributors' as-built drawings.

During the past 12 months the Branch was involved in a variety of technical and administrative projects aimed primarily at increasing the efficiency and effectiveness of methods and procedures used in rural gas utility development by both distributors and the Division. These projects included:

- The introduction of an "automated drafting system" which, through the use of computer graphics, should greatly increase the production and accuracy of distributors' as-built drawings.

- The development and implementation of a revised grant budget control system. Using an electronic data processing support system, the grant budget status is updated daily and reported monthly to management.

- A total redraft of the Rural Gas Program Policy Manual. This manual is used by distributors and others who need to understand the Division's administrative policies and procedures for such topics as grants, franchises and applications for construction approval.

- The development and issue of a new Technical Standards and Specifications Manual. This manual outlines the Division's technical policies and requirements for such topics as distribution system design, project management, construction and operations.

- A comprehensive, detailed survey/audit of all distributors' operation and maintenance practices to identify unsafe practices and other deficiencies.

- A complete overhaul of the Division's mobile propane/air mix plant which is used to provide emergency fuel supplies to distributors in the event of interruption of normal gas supply.

BUSINESS AND GRANTS SECTION

D.H. Warner
Manager

The Business Analysts provide a financial and business management resource service to distributors under the Rural Gas Program. Other functions include administration of the grant program and assistance to eligible distributors in applying for grants. Beginning in 1982, responsibility for an annual audit of distributors' incurred construction costs was transferred to the Business and Grants Section. A set of specific guidelines and procedures was established to ensure policy compliance in grant payments.

The statistics group of this section maintains an ongoing compilation of costs, installations and grants issued for the Rural Gas Program. Reports of this information are prepared both for publication and for administrative use by Department management. Since the Department of Agriculture published information on the propane/fuel oil tank grant program, handled by this group, the number of applications received and processed increased dramatically.

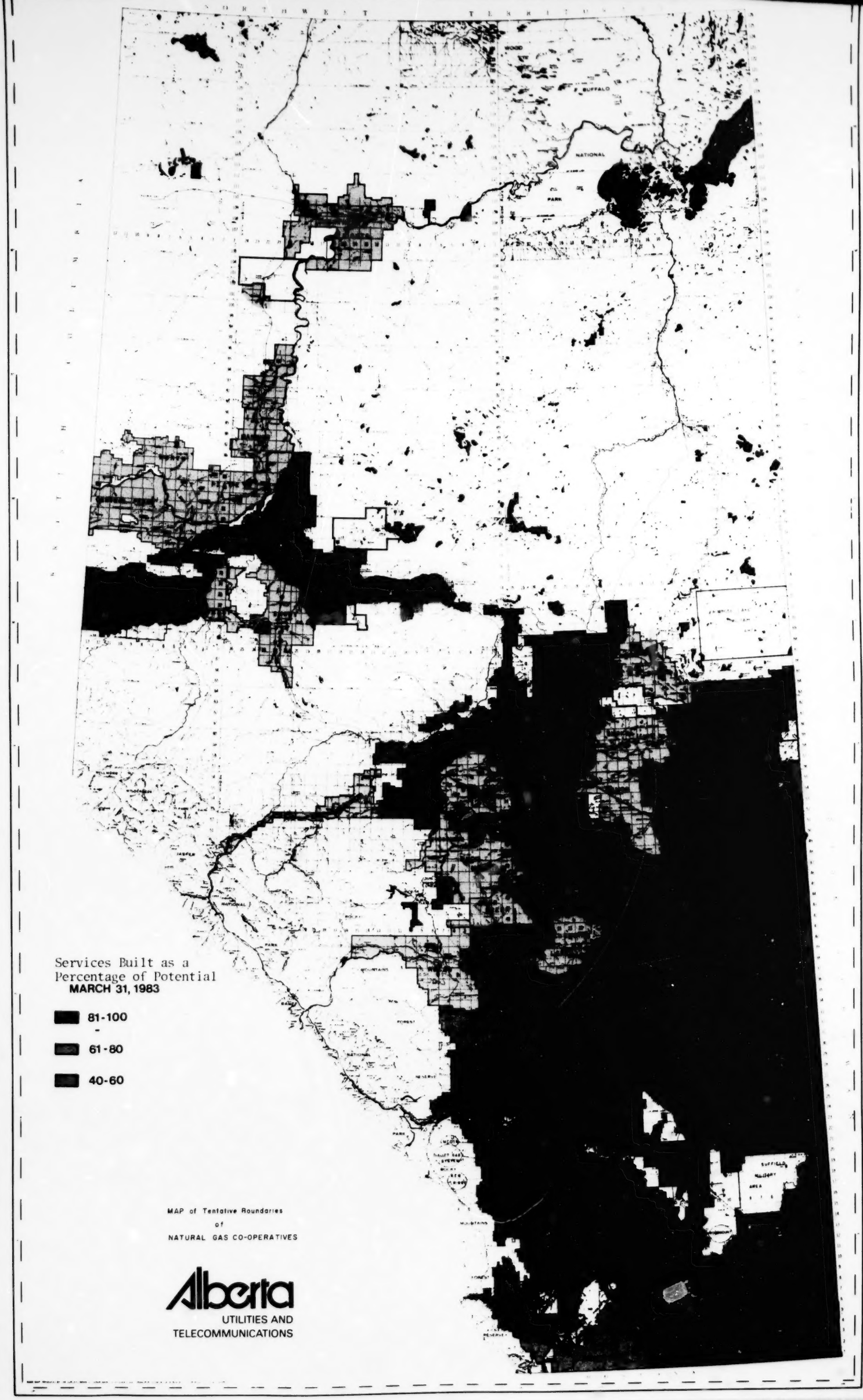
The Business Analysts continue to stress preparation and use of financial planning policies to their clients. The use of budgeting and improved recordkeeping by the distributors, both during construction and in the operational phases of their utility, help improve their cash position. Most of the contact work during the past year has been either by visiting and consultation with utility managers and/or attendance at board meetings. Special effort has been made to work closely with those distributors and their auditors where either a present or future financial problem is perceived.

In addition to regular client contact and visits this year, seminars on grant policy and calculation were held for both co-op auditors/accountancy firms and for rural gas distributor staff. There was a high level of attendance and participation at the seminars, and evaluations by participants indicated satisfaction with the information provided. Similar educational projects are being considered to expand distributors' understanding on other problems or points of policy.

Due to increases in the cost of energy and escalating construction and operating costs, there are regular reviews of customer rates. Where rates are considered to be inadequate, the distributor is consulted and recommendations made regarding alternatives.

All regular grants under the Rural Gas Program are calculated on the concept of whole-system cost averaging. During the 1982-83 fiscal year a total of $36,087,857.19 of grants was processed. Figures and graphs setting out some of the more significant statistics of the Rural Gas Program are included in Appendix A, both for the past year and accumulative from the beginning of the program. From these statistics it is apparent the program has evolved to the point where the original construction of systems is gradually decreasing, and the ongoing operation and maintenance of the existing systems is assuming a larger and more important share of attention by both the distributors and the Department.

The map on the following page displays the penetration of services built as a percentage of the estimated potential in the franchised areas of the province. This map indicates that most of the people in the southern half of the province have already been served, and the availability of gas to the people in the remainder of the province is rapidly increasing.



MAP of Tentative Boundaries
of
NATURAL GAS CO-OPERATIVES

Alberta
UTILITIES AND
TELECOMMUNICATIONS

GAS ADMINISTRATION SECTION

A.A. Stanford
Manager

Loans authorized under provisions of the Co-operative Marketing Associations and Rural Utilities Guarantee Act to natural gas co-operatives, during the 1982-83 fiscal year, amounted to $834,218, all of which was supported by lien notes. The total of outstanding guaranteed loans as of March 31, 1983 was $8,702,354. Loans supported by lien notes stood at $8,607,725, a decrease of $1,745,745 from the previous year. Gas rate borrowings totalled $94,629, down $1,155,993.

The Agricultural Development Corporation authorized loans to ten gas co-ops for a total of $1,667,260 at a preferred interest rate of 12 percent. From these loans, $522,542 was applied towards outstanding government guaranteed gas rate borrowings with an interest rate of bank prime plus one percent.

During the year, 8,300 utility rights-of-way, easements, and consent-of-occupant forms were prepared for member-owned gas co-ops and counties. Fourteen franchise audits for utility rights-of-way and 58 infill audits were completed.

A program was implemented to audit lenders with outstanding government-guaranteed loans to co-op members. These audits are done to ensure the lien notes held by lenders agree with Utilities and Telecommunications' records. Four audits were completed.

All gas co-operatives retained their entity at Corporate Registry. There are 94 natural gas co-operatives in Alberta, of which 76 own and operate their own distribution systems.

UTILITIES, COMMUNICATIONS AND PLANNING DIVISION

G. Haase
Assistant Deputy Minister

COMMUNICATIONS POLICY BRANCH

K. Murricane
Director

REBATES BRANCH

G. Brockbridge
Director

RURAL ELECTRIC BRANCH

J. Mann
Director

COMMUNICATIONS POLICY BRANCH

K. Murricane
Director

The Communications Policy Branch is responsible for providing research, advice and coordination in the ongoing development and administration of Alberta's communication policy to the Minister. The emphasis of this policy is to ensure the optimum development of the communications industry in Alberta.

The activities of the Branch are divided into five policy areas - broadcasting and cable television, corporate and financial analysis, educational communications, research and economic analysis, and telecommunications. In addition to the ongoing operational activities in these areas, there were a number of issues which received specific attention in this reporting year.

In May of 1982 Alberta hosted a Federal-Provincial Conference of Communications Ministers in Calgary to deal with the issues of pay television and the report of the task force, formed to explore mechanisms for considering regulatory issues affecting more than one jurisdiction. The Ministers directed the task force, exploring joint regulatory mechanisms, to continue its work and to consult with regulatory authorities on the implementation of the various options presented. The task force met on several occasions throughout this reporting year and is expected to complete its final report to the Ministers by the summer of 1983.

Throughout the year the Branch continued to provide ongoing analyses of the effect of certain policy and regulatory initiatives on the provision of communications services and the structure of the industry in Alberta. Specific attention was given to such issues as terminal attachment, systems interconnection, cellular mobile radio, rate hearings and proposed corporate changes.

Representatives of the Branch also participated in a number of federal-provincial working groups established to promote the utilization and commercialization of Canadian telecommunications technology. These included the Office Communications Systems Program (OCS), the Mobile Satellite Program (MSAT) and the Inter-Provincial Association for Telematics and Telidon (IPATT). In addition, the Branch participated in several working groups established to examine industrial development opportunities in the communications and computer/communications industry in Alberta.

The Communications Policy Branch administers a one-time grant program designed to support the establishment of educational consortia throughout the province. These consortia provide opportunities for local educational institutions to use cable television for the distribution of educational programming. In the 1982-83 fiscal year, approximately $60,000 was made available to seven educational consortia - Big Country Educational Consortia, Calgary Educational TV Consortia, Edmonton Educational Cable Consortia, Fort McMurray Cable Consortia, Grande Prairie Educational TV Consortia, Pembina Educational Consortia and Yellowhead Consortia for Educational TV.

The Branch, through its membership in the IPATT committee, is involved in the production of a newsletter entitled Telematics which provides current information on the continuing work on videotex and related computer/communications technologies in Alberta.

ALBERTA EDUCATIONAL COMMUNICATIONS AUTHORITY

On December 8, 1982, the Board of Directors of ACCESS was designated by Order in Council as the provincial Authority for the purposes of the Alberta Educational Communications Corporation Act. The office of the Executive Director of the Authority was eliminated, the activities of that office ceased and the staff were redeployed.

The administration of the Alberta Educational Communications Corporation Act remained the responsibility of the Minister of Utilities and Telecommunications. All staff functions associated with these administrative activities are within the Communications Policy Branch of this Department.

REBATES BRANCH

G.M. Breckenridge
Director

Since 1974 the provincial government has remained committed to sheltering Albertans from rising energy costs. The Rebates Branch operates four major rebate programs to ensure that Albertans have the lowest heating costs in Canada.

NATURAL GAS PRICE PROTECTION PLAN

The Natural Gas Price Protection Plan ensures, by means of rebate payments from the General Revenue Fund, that all residential, commercial and industrial consumers pay substantially less than the price paid by all other Canadians for Alberta natural gas.

This year $105 million in rebates were paid to utility companies, municipalities, Gas Alberta and other entities to lower the price of natural gas purchased for Alberta consumers. This was an increase of $10.1 million over last year and is due to increases in the unit rebate paid as a result of increases in the Alberta Border Price for natural gas provided for in the September 1, 1981 federal-provincial energy agreement (see Appendix B).

Although total payments could have been higher, they were diminished by a continued decrease in consumption per residential customer due to the increased price of natural gas, conservation measures and use of more energy-efficient building techniques. In addition, a September 1, 1982 amendment to the Natural Gas Rebates Regulation limited rebatable consumption of natural gas used for electric generation to 1.055 petajoules (PJ) (1 billion cubic feet). This amount is similar to all other industrial users. Previous to September 1, 1982, all consumption of gas used for electric generation was eligible for rebate.

Under the terms of the federal-provincial energy agreement of September 1, 1981, prices for gas exported from the province ("Alberta Border Price") is to increase by about 48¢/GJ each year until 1986. This is the basic cost of Alberta-produced gas to all Canadians. Within Alberta, the Natural Gas Price Protection Plan will rebate 35 percent of these increases, resulting in net increases to Alberta consumers of about 31¢/GJ each year, subject to minor adjustment for fluctuations in pipeline charges ("Alberta Cost of Service"). The Federal Excise Tax, a variable component in the energy agreement, was reduced by 13¢/GJ (13.7¢/MCF) to 45¢/GJ (47.5¢/MCF) effective February 1, 1983. Consumers, as a result, enjoyed a reduction in their gas bills.

In order to ensure the rebate benefit is passed on to consumers, the Alberta Public Utilities Board (the utility regulatory authority) examines and certifies that customer rates charged by all utility companies receiving the rebate are just and reasonable. In addition, auditors in the Branch regularly examine the records of all utilities receiving rebate payments.

For further information on unit rebates, average benefits and total rebates per year, please refer to Appendix B.

REMOTE AREA HEATING ALLOWANCE

The Remote Area Heating Allowance Program provides for a direct rebate of up to 35 percent of the price paid for heating oil and propane by residential, farm, community and small business consumers. This program applies to residents who have no choice but to use these fuels because natural gas is not available.

Response to this program accelerated steadily as more people became aware of the direct rebate benefits available. Grain dryers and irrigation pumps have been recognized as an approved use under the program.

During the period January to March 1983, over 4,200 applications totalling $942,000 were processed. Total rebate payments to individuals, small businesses and community organizations during the year amounted to $3.9 million, for an average of $249 per claim.

Efforts of natural gas distributors to expand pipeline systems, together with assistance under the Canadian Oil Substitution Program (in Alberta, to convert home furnaces from heating oil to natural gas), have resulted in many households switching to natural gas as a heating fuel. Natural gas distributors scrutinize each rebate application originating within their franchise areas to see if the homeowner could be served with natural gas.

Information received by the Branch shows the Remote Area Heating Allowance continues to be a welcome shield against escalating energy costs for Albertans who live in areas where natural gas service is not yet available.

PRIMARY AGRICULTURAL PRODUCERS REBATE PROGRAM

The Primary Agricultural Producers Natural Gas Price Protection Program provides a direct rebate of 50¢/GJ (per gigajoule) or 52.7¢/MCF (per thousand cubic feet) on natural gas used by persons engaged in primary agricultural production. This rebate is in addition to the rebate that is already being received under the Natural Gas Price Protection Plan.

The program is retroactive to January 1, 1982 and will continue to December 31, 1984. The rebate may be applied for any time during the year.

Initial response to this new program, implemented early in 1983, was substantial, and the number of application forms received in the Branch increased steadily as more producers became aware of the rebate benefits available to them.

Agricultural producers engaged in the production of field crops, livestock and poultry operations, greenhouses (including ornamental), irrigation, grain drying, and sod and peat moss businesses are eligible for rebate under the program. As at March 31, 1983 some 950 agricultural producers had received a total of over $768,000 in rebates for an average claim of $809 each.

The program rebates 50¢/GJ (52.7¢/MCF) on consumption of natural gas over 300 GJ (285 MCF) and up to a maximum of 10,000 GJ (9,500 MCF) used for primary agricultural production during a calendar year.

The Department has allocated a total budget of $13.5 million for the cost of the program over the three-year period.

SENIOR CITIZENS HOME HEATING PROTECTION PROGRAM

The Senior Citizens Home Heating Protection Program provides a direct rebate of $100 per year to senior citizens to assist them with the costs of home heating, regardless of the type of fuel used.

The benefits of this program will be retroactive to January 1, 1982 and extend through to December 31, 1984.

This new program was implemented early in 1983. It is unique because most senior citizen homeowners do not need to apply in order to receive the rebate benefit. Eligibility is automatically established for those individuals who have applied for and received the Alberta Property Tax Reduction Benefit. In the relatively few cases where seniors names did not appear on the Alberta Property Tax Reduction Benefit list for one reason or another, a short application form was completed to establish eligibility.

The following are also included under the program:

- Widows and widowers 55 years of age or over, who qualify for a pension under the Widow's Pension Act.

- Persons 60 years of age or over, whose deceased spouse was at least 65 years of age at the time of death.

Following implementation of the program early in 1983, 75,060 senior citizens received their $100 rebate cheques covering the 1982 calendar year. The estimated remaining 1982 payments are included in the total expenditure amount of $8 million.

The Senior Citizens Home Heating Protection Program is appreciated by senior citizens and is a welcome shield against the high cost of home heating, as noted by the numerous calls and letters received.

RURAL ELECTRIC BRANCH

J. Mann
Director

The Rural Electric Branch provides financial assistance and technical supervision for all electric utility services built for rural electrification associations (REAs) and in isolated communities under the Land Tenure Program. The Branch maintains computerized accounting records for all loans issued from the Rural Electrification Revolving Fund.

The Director of the Branch fulfills the statutory duties of the Director of Co-operative Activities as provided by the Co-operative Associations Act for REAs.

Financial assistance is provided to REAs or individuals under provisions of the following acts and regulations, where applicable:

Rural Electrification Revolving Fund Act

Rural Electrification Long Term Financing Act

Co-operative Marketing Associations and Rural Utilities Guarantee Act

Department of Utilities and Telecommunications Act

Grants to offset the cost of purchasing a generating unit are also available under the program. Individuals, who maintain a permanent residence in a remote area where it is not feasible to provide power from the provincial grid, are eligible for this grant.

THE RURAL ELECTRIFICATION REVOLVING FUND

During the 1982-83 fiscal year, 2,608 loans were processed, resulting in $7,282,921 in funds being released to REAs to finance the construction of original facilities. Of this amount, $4,484,942 is repayable by the members and bears interest at 3 1/2 percent. These loans are secured by lien notes on the member's property. The balance of $2,797,979 represents 1,250 interest-free loans made under Part II of the Rural Electrification Revolving Fund Act. These loans are to be repaid by the association if and when additional use is made of the facilities constructed with these funds. These loans are secured by a first charge upon the works of the association in favour of the Provincial Treasurer.

The statutory limit of the Rural Electrification Revolving Fund is at present $55 million. Of this amount, the Provincial Treasurer has advanced $44,130,588 to the Fund. These funds have been used in the following manner:

Interest-bearing loans	
10-year repayment schedule	$ 6,215,619
25-year repayment schedule	21,244,966
Non-interest-bearing loans	
Part II loans (no fixed repayment schedule)	15,702,250
Total of all outstanding loans	43,162,835
Cash in bank	967,753
	$44,130,588

Repayments on outstanding loans amounted to $5,131,513 of which $4,211,605 was credited back to the Rural Electrification Revolving Fund as repaid principal and $919,908 in earned interest was deposited to the General Revenue Fund of the province.

Thirteen delinquent accounts were transferred to Crown Debt Collections. The principal of these loans amounted to $14,980 and the accrued interest totals $2,489.

Sixteen accounts were written off during the year. The principal written off was $10,336 and accrued interest totalled $3,995.

The unaudited financial reports and summaries of the Rural Electrification Revolving Fund are contained in Appendix C.

GRANTS ISSUED TO REAs

Grants Based on 40 Percent of Part II Loans

Since April 1, 1979, grants based on 40 percent of the outstanding amount of Part II loans (non-interest-bearing), issued to REAs on behalf of individual members, total $5,635,400. Of this amount, $825,746 was funded this fiscal year.

At the close of this fiscal year, $4,884,389 remains in effect. The difference of $751,011 has been recovered from REAs as either the Part II loan balance was reduced or the REA was sold. Altogether, 334 REAs have benefited from this program.

Pole Replacement Grants

Two REAs received financial assistance of $11,028 during this fiscal period for premature pole replacement.

OTHER GRANTS

Generating Unit Grants

Three grants totalling $11,750 were issued to individuals who maintain a permanent residence in a remote area where it is not feasible/economical to provide power from the provincial grid. These grants were used to help defray the cost of purchasing generating units.

Grants for Isolated Communities

Land Tenure Program. During the 1982-83 fiscal year, $178,519 was paid out in grants to provide electrical service to residents within land tenure subdivisions in isolated communities.

Isolated Communities. A grant of $75,000 was paid on behalf of the community of Garden Creek to enable it to have electric service.

GENERAL INFORMATION ABOUT REAs

During 1982 REAs consumed 940,123,908 kW.h (kilowatt hours) of energy worth $43,700,794. This consumption is over two times what the City of Lethbridge consumed during 1982. There were 68,214 REA services as of December 31, 1982. During this fiscal year 45 REAs were purchased, leaving 272 active REAs as of March 31, 1983.

MUNICIPAL UTILITIES DIVISION

D. Shillabeer
Executive Director

The Department of Utilities and Telecommunications assumed responsibility for all financial assistance programs for municipal water and sewage facilities in February 1983. Four programs have been consolidated under the newly created Municipal Utilities Division. The four programs are listed below:

1. The Alberta Municipal Water Supply and Sewage Treatment Grant Program provides assistance for the construction of water supply or sewage treatment works in individual municipalities.

2. The Regional Water and Sewer Systems Program provides the provincial lead in the construction of facilities to serve a group of municipalities.

3. The Phosphorus Removal Grant Program provides assistance in covering the additional costs of installing phosphorus removal facilities in Calgary.

4. The Northern Supplementary Fund provides special assistance for small northern isolated communities to ease the burden of high per capita cost of installing water and sewage facilities.

Municipalities may apply to the Department for financial assistance to help cover the cost of constructing eligible water and sewage projects. Applications are evaluated and priorized, and financial assistance is provided towards selected projects. Assistance is provided to ease the burden on citizens of the high costs of installing facilities in small and/or isolated communities. For regional utility systems, the Department may initiate and construct the facilities on behalf of the municipalities involved.

A total of $160,221,238 in financial assistance was provided during the 1982-83 fiscal year. Under the Alberta Municipal Water Supply and Sewage Treatment Grant Program, grants totalling $101,316,773 were distributed to municipalities to honour prior commitments and to initiate new projects. A total of 59 projects in 56 municipalities were started during the year. The Regional Utility Program continued at a very active pace, with $45,274,465 being expended. The majority of the work took place on the Edmonton regional utility systems. An $8 million grant payment was issued to the City of Calgary to further assist in the construction of phosphorus removal facilities. Grants totalling $5,630,000 were distributed to provide special assistance to northern communities.

The programs are administered by a group of technical and financial staff who identify, evaluate and priorize the projects, and administer the funding programs. The staff work closely with municipal officials and consulting engineers in planning and implementing eligible projects.

ADMINISTRATIVE SERVICES DIVISION

[illegible]
[illegible]

DEVELOPMENT AND TRAINING BRANCH

L. Ramsey
Manager

FINANCIAL ADMINISTRATION BRANCH

[illegible]
Financial Administrator

PERSONNEL ADMINISTRATION BRANCH

D. [illegible]
Manager

PUBLIC COMMUNICATIONS BRANCH

[illegible]
Manager

RECORDS MANAGEMENT BRANCH

D. [illegible]
Manager

ADMINISTRATIVE SERVICES DIVISION

E. Tywoniuk
Executive Director

The Administrative Services Division, through its five branches, continued to provide central services and resources for the Department. These services include records management, public communications, personnel administration, financial administration, and development and training.

The Development and Training Branch extends training to non-government personnel who are involved in Department-funded programs.

The Public Communications Branch is responsible to the Alberta Public Affairs Bureau.

DEVELOPMENT AND TRAINING BRANCH

F. Rumsey
Manager

Significant changes in the Department had a direct effect on the training function. There were increases in staff training due to the establishment of the Municipal Utilities Division and the Slave River Hydro Project Co-ordinator's Office and expansion of the Rebates Branch.

Twenty of 23 courses, designed for utilitymen associated with the Rural Gas Program, were revised and presented. This was the third year of a planned three-year program. Due to reduced turnover of utilitymen in natural gas co-operatives, the number of attendees was down from 275 in 1982 to 203 in 1983.

Seven new officers qualified following the utilities officers' qualifying course held during the first two weeks of March 1983. The 46 utilities officers, who qualified in previous years, spent an informative three days in Red Deer at a comprehensive refresher/study seminar.

The Development and Training Manager made educational presentations at the annual Federation of Alberta Gas Co-ops convention and the Alberta Association of Utilities Officers convention in late November 1982. A booth at the convention trade fair, manned by the Federation's Education Committee, provided information and a little nostalgia - "How pipelines used to be constructed."

A rural natural gas safety program was also initiated in schools. This program was the co-operative effort of the Rural Gas Safety Committee and the Development and Training Branch. It was the subject of a tutorial instructional course for ten co-op employees, who then made presentations to interested groups in their geographic area.

Work continued on an orientation program for new directors of rural gas distributors. It is hoped that the first course will be available by midyear 1983.

Progress has been made toward joint training ventures between the Development and Training Branch and the major gas utility companies.

FINANCIAL ADMINISTRATION BRANCH

(Ms.) S. Tan
Financial Administrator

The Financial Administration Branch is responsible for planning, coordinating and implementing the Department budget. This Branch processes program-budgeted expenditures and consults Department personnel regarding budget and related financial matters.

Budget control was maintained through expenditure reports provided to management. The Branch also advises on updated procedures for financial transactions as received from the Office of the Controller.

In addition, the Financial Administration Branch continued its role in electronic data processing (EDP) and word processing coordination and the preparation of an annual EDP-word processing plan for the Department.

The final 1982-83 statement of expenditure is located in Appendix D.

PERSONNEL ADMINISTRATION BRANCH

D. Tymchuk
Manager

The Personnel Administration Branch is responsible for the coordination and effective implementation of all personnel programs. These programs include manpower planning, organization development, classification, recruitment and selection, employee relations and contract administration.

At the end of the 1982-83 fiscal year there were 179 permanent full-time positions and one permanent part-time position in the Department.

PUBLIC COMMUNICATIONS BRANCH

J. Boitson
Manager

The Public Communications Manager provided editorial, advertising and public relations services to the Department. In addition to the administrative work connected with print, graphic and photographic assignments, these services included:

- Coordinating the editorial committee, writing, editing and producing the Rural Utilities Newsletter, a quarterly publication distributed to rural gas co-ops and other interested organizations and individuals.

- Coordinating the editorial committee, editing and producing the U&T Reporter, a bimonthly employee newsletter.

- Preparing and distributing Department news releases throughout Alberta.

- Editing and coordinating the Department's annual report.

- Coordinating departmental displays.

- Attending the annual meetings of the Alberta Union of Rural Electrification Associations and the Federation of Alberta Gas Co-ops Ltd.

RECORDS MANAGEMENT BRANCH

D. Merrell
Manager

The Records Management Branch is responsible for: a planned system for classifying documents; the care and custody of documents within a protective cover; the controlled circulation and use of documents to meet administrative need; and the final disposition of the documents for destruction or preservation dependent upon their value.

The conversion and centralized control of all Department records was completed March 31, 1983.

Computerization of the Loans Section of the Rural Electric Branch was completed during the 1982-83 fiscal year.

The Branch is also responsible for the procurement of all materials or services and supplies for the Department and the Alberta Electric Energy Marketing Agency.

APPENDIX A

RURAL GAS PROGRAM STATISTICS

Grants Issued Under the Rural Gas Program to March 31, 1983

	Total to March 31, 1982	1982-83	Total as at March 31, 1983
Regular	$123,467,896.07	$19,457,544.57	$142,925,440.64
Gas Transportation Grant	63,707,585.79	7,904,792.29	71,612,378.08
Regulator/Metering Odorizer	7,794,247.95	1,825,760.48	9,620,008.43
Cathodic Protection	2,504,399.26	16,200.13	2,520,599.39
Operating Equipment	102,518.42	17,816.38	120,334.80
Leak Detection	97,505.06	692.00	98,197.06
Replacement PE 3306 Pipe	15,963,557.76	5,118,314.48	21,081,872.24
Other Special	8,873,880.67	898,989.14	9,772,869.81
Propane	2,940.10	35,840.02	38,780.12
Utilities Officers	4,972,823.54	813,007.70	5,785,831.24
	$227,487,354.62	$36,088,957.19	$263,576,311.81

Natural Gas Services Built by Rural Gas Distributors

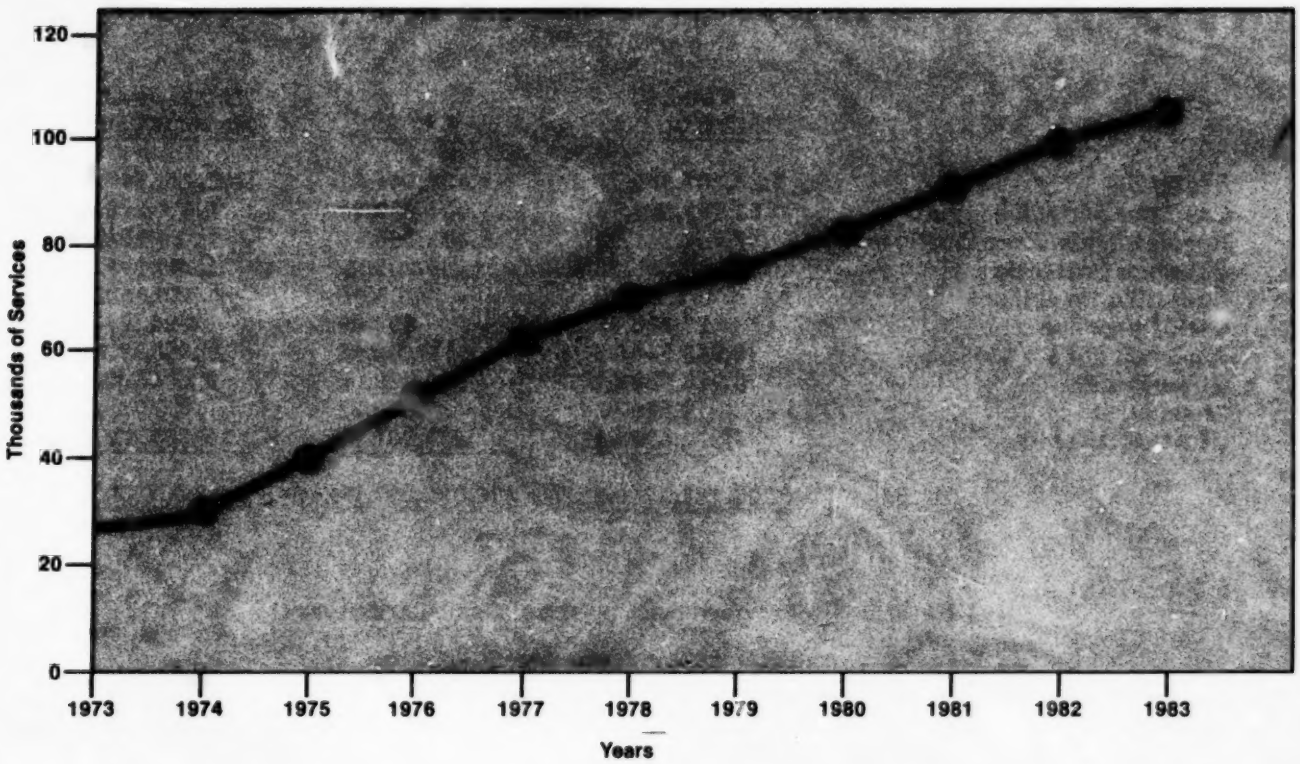
	Total to March 31, 1982		Services Built 1982-83	Total to March 31, 1983	
	Pre-Act	Post-Act		Pre-Act	Post-Act
Rural	19,386	56,028	3,563	19,386	59,591
Urban	4,142	9,734	1,200	4,142	10,934
Grain Dryer	9	599	66	9	665
Non-Grantable	1,088	3,712	342	1,088	4,054
Irrigation	1,894	2,296	223	1,894	2,519
	26,519	72,369	5,394	26,519	77,763

* Kilometers of Pipelines Installed in Rural Natural Gas Distributor Systems

	Total to March 31, 1982	Built 1982-83	Total as at March 31, 1983
Polyethylene	66,596.55	2,348.05	68,944.60
Aluminum	4,142.63	138.47	4,281.10
Steel	1,720.90	71.85	1,792.65
	72,460.08	2,558.37	75,018.35

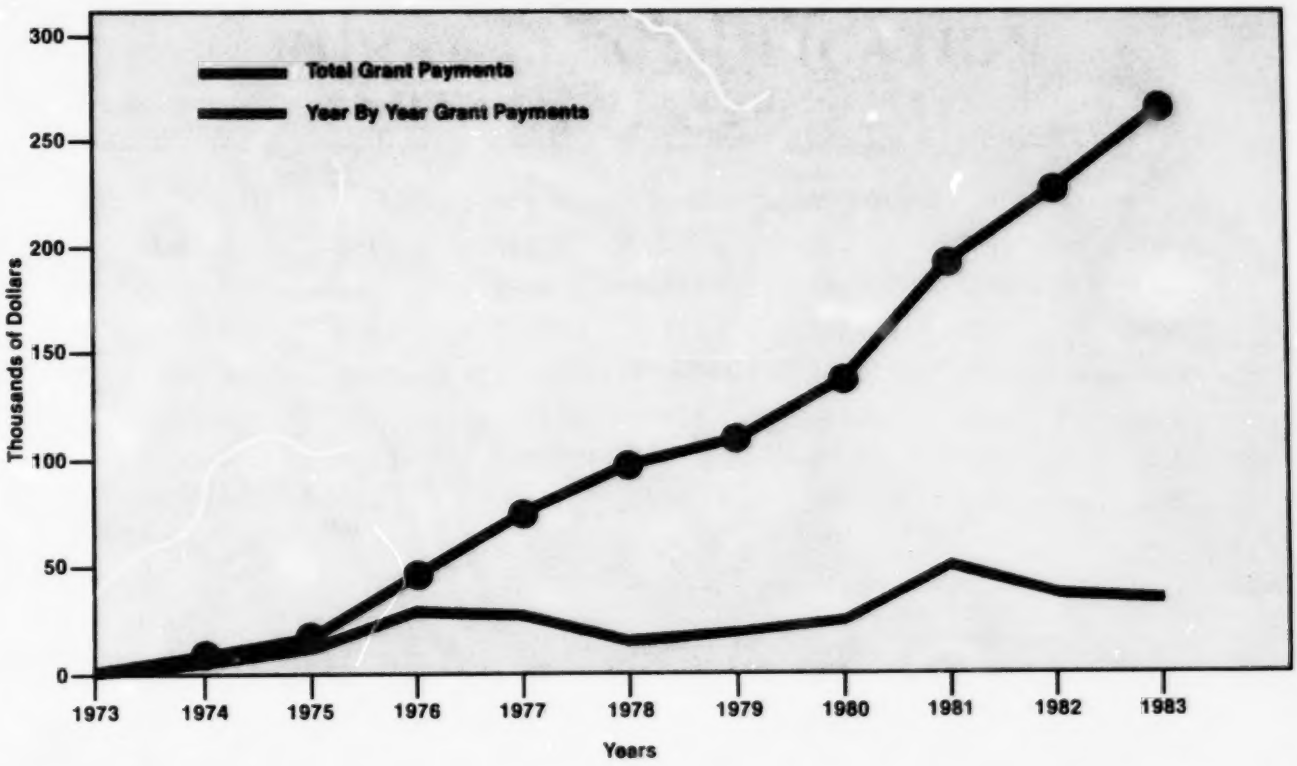
* Post-act system installation only. No figures available for pre-act system.

Number Of Rural Natural Gas Services Cumulative Up To March 31, 1983.

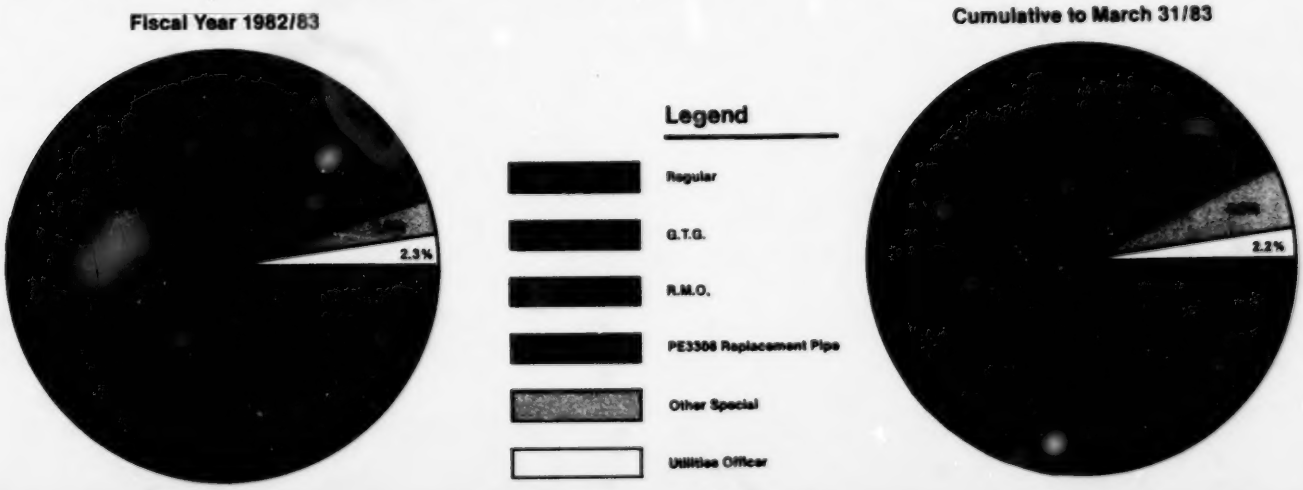


Percentages Of Rural Natural Gas Services By Type Year By Year And Cumulative To March 31, 1983

Total And Year By Year Grant Payments Issued Under The Rural Gas Program To March 31, 1983.



Percentage Of Grants Issued Under The Rural Gas Program By Type For 1982/1983 Fiscal Year And Cumulative To March 31, 1983.



REBATES BRANCH

Unit Rebate Allowances - Alberta

Period		Alberta Border Price	Alberta Cost of Service	Field Price	Provincial Support Price	Unit Rebate Allowance
				$/GJ		
Nov. - Apr.	1981	1.77565	0.175	1.60065	1.154	0.44665
May Aug.	1981	1.77565	0.215	1.56065	1.154	0.40665
Sept.	1981	1.70162	0.215	1.48662	1.154	0.33262
Oct. - Jan.	1982	1.70162	0.215	1.48662	1.106	0.38062
Feb. - July	1982	1.93463	0.215	1.71963	1.258	0.46163
Aug. - Jan.	1983	2.16764	0.27	1.89764	1.409	0.48864
Feb. - July	1983	2.40065	0.27	2.13065	1.56	0.57065

Average Annual Rebate Benefit Per Residential Customer *

1980 - 1981	$100
1981 - 1982	$ 83
1982 - 1983	$101

* Based on annual consumption of 200 GJ and applicable monthly unit rebate allowance.

Total Rebates by Year

	1980-81	1981-82	1982-83
		$ Million	
Natural Gas Price Protection Plan	$115.4	$94.9	$105.0
Remote Area Heating Allowance	0.7	1.7	3.9
Senior Citizens Home Heating Protection Program	-	-	8.0
Primary Agricultural Producers Rebate Program	-	-	0.8

RURAL ELECTRIFICATION REVOLVING FUND

Financial Reports and Summaries
1982-83
Cash Basis

(Unaudited)

Fiscal year ending March 31, 1983

STATEMENT I

Comparative Loan Balances

Loans Receivable At Year End

Repayment Schedule	March 31, 1983	March 31, 1982	March 31, 1981
10-year	$ 6,215,619	$ 6,498,109	$ 6,220,859
25-year	21,244,966	20,414,499	18,114,899
Part II loans	15,702,250	13,204,228	10,299,126
Total all loans	$43,162,835	$40,116,836	$34,634,884

STATEMENT II

Loans Issued

Loans Advanced	Fiscal 1982-83	Fiscal 1981-82
10-year	$1,157,364.24	$1,485,076.43
25-year	3,327,578.16	4,031,885.82
Part I	2,797,978.65	3,258,369.80
Total loans	$7,282,921.05	$8,775,332.05
Loans for new construction	$7,225,399.65	$8,711,410.71
Refinancing	57,521.40	63,921.34
Total loans	$7,282,921.05	$8,775,332.05
Principal refinanced	$56,400.87	$62,348.55
Interest refinanced	1,200.53	1,572.79
Total refinancing	$57,521.40	$63,921.34
New construction - individual lien notes	$4,427,421.00	$5,453,040.91
New construction - Part II support	2,797,978.65	3,258,369.80
Total new construction financed	$7,225,399.65	$8,711,410.71

STATEMENT III

Receipts

	Fiscal 1982-83	Fiscal 1981-82
Total payments received	$5,063,929.63	$4,245,353.06
Proceeds of financing	57,521.40	63,921.34
Total receipts and adjustments	5,121,451.03	4,309,274.40
Less overpayments, etc., disbursed	45,703.16	130,230.88
Net payments and adjustments	$5,075,747.87	$4,179,043.52
Allocation of payments and adjustments		
10-year loans principal	$1,447,347.72	$1,207,827.21
25-year loans principal	2,408,534.73	1,732,286.08
Part II loans principal	299,956.93	353,266.86
10-year loans interest	225,307.73	218,050.30
25-year loans interest	694,600.76	667,613.07
Total allocated	$5,075,747.87	$4,179,043.53
Total principal	$4,155,839.38	$3,293,380.15
Total interest	919,908.49	885,663.37
Total loan payments	$5,075,747.87	$4,179,043.52

STATEMENT IV

Transactions Since Inception of the Rural Electrification Program in 1948

Total loans advanced from Revolving Fund		
10-year loans	$51,812,726.56	
25-year loans	48,292,455.16	
Part II loans	20,635,747.65	$120,740,929.37
Co-operative Marketing Associations and Rural Utilities Guarantee Act loans		
Advanced prior to 1956 (none outstanding)		6,784,464.85
Advanced in 1977-78 (two loans)		195,237.15
Total loan and guarantees		$127,720,631.67
Interest returned to Provincial Treasurer		
10-year loans		$ 7,489,465.18
25-year loans		9,145,478.56
Total interest returned to Provincial Treasurer		$16,634,943.74

STATEMENT V

Accounts in the Hands of Other Government Agencies for Collection of Arrears as at March 31, 1983

	Less Than 1 Year Since Last Payment	1 to 5 Years Since Last Payment	Over 5 Years Since Last Payment	Total of All Last Payments
1) Number of Accounts	19	20	4	43
2) Principal balance	$25,438.46	$32,341.72	$4,796.30	$62,576.48
3) Accrued interest	400.27	2,991.03	892.69	4,283.99
4) Principal in arrears	4,464.34	7,899.41	1,381.72	13,745.47
Total arrears (3 and 4)	$4,864.61	$10,890.44	$2,274.41	$18,029.46

APPENDIX D

UTILITIES AND TELECOMMUNICATIONS
STATEMENT OF EXPENDITURES
FISCAL YEAR 1982-83

	Program	Total Authorized	Expended	Unexpended
1.	Departmental Support Services	$ 2,486,307	$ 2,403,138	$ 83,169
2.	Gas Utility Development			
	Financial Assistance for Natural Gas Development (Grants for Natural Gas), Distribution Systems and Utilities Officer Support	36,226,000(1)	36,087,857	138,143
	Capital Construction	1,506,000	1,403,724	102,276
	Engineering, Technical, Financial and Business Support	2,711,553	2,515,245	196,308
	Gas Alberta	1,284,960	996,381	288,579
3.	Natural Gas Price Protection for Albertans	13,382,555(2)	12,516,751	865,804
4.	Electric Development			
	Electric Development Services	1,135,407	1,035,841	99,566
	Financial Assistance for Electric Development	2,854,000	1,058,837	1,795,663
5.	Communications Development	527,771	435,630	92,141
6.	Electric Energy Marketing Agency	72,728,210	52,149,451	20,578,759(4)
7.	Financial Assistance for Water and Sewer Projects	177,089,931(3)	160,480,809	16,609,122
	TOTAL DEPARTMENT	$311,933,194	$271,083,664	$40,849,530

(1) Total authorized includes special warrant totalling $5,000,000.
(2) Total authorized includes special warrant totalling $9,827,174.
(3) Total authorized includes special warrant totalling $36,144,000.
(4) This is dealt with in the Electric Energy Marketing Agency Annual Report.

POOR

QUALITY

ORIGINAL